

**MEMORANDUM OF AGREEMENT
NAT-I-3417**

BETWEEN THE

**FEDERAL AVIATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA**

AND THE

**SECRETARIAT OF COMMUNICATIONS AND TRANSPORT
UNITED MEXICAN STATES**

WHEREAS, the Federal Aviation Administration (FAA) of the Department of Transportation of the United States of America is directed to encourage and promote the development of civil aeronautics and the safety of air commerce, and is authorized to furnish on a reimbursable basis to foreign governments certain technical assistance to that end; and

WHEREAS, the Secretariat of Communications and Transport (SCT) of the United Mexican States has requested that such technical assistance be provided;

NOW THEREFORE, the FAA and the SCT collectively referred to herein as the parties, agree to undertake joint programs in accordance with the following terms and conditions.

ARTICLE I—OBJECTIVE

A. This Memorandum of Agreement (the Agreement) establishes the terms and conditions under which the FAA may provide assistance to the SCT in developing and modernizing the civil aviation infrastructure in the managerial, operational and technical areas. For this purpose, the FAA will, subject to their availability and the availability of appropriated funds, provide personnel, resources, and related services to assist the SCT in the accomplishment of this objective.

B. It is understood and agreed that the FAA's ability to furnish the full scope of technical assistance provided for under this Agreement depends on the use of the systems and equipment in Mexico that are similar to those used by the FAA in the U.S. National Airspace System. To the extent that other systems and equipment are used in Mexico, the FAA may not be able to support those other systems and equipment under this Agreement.

ARTICLE II—IMPLEMENTATION

A. Specific technical assistance in areas of personnel, training, equipment, or services to be provided by the FAA for the SCT shall be delineated in annexes and appendices to this Agreement which, when signed by the duly authorized representatives of the parties, shall form part of this Agreement. For this purpose, the SCT designates the Directorate General of Civil Aeronautics (DGAC), the Navigation Services in the Mexican Airspace (SENEAM), and the Airports and Auxiliary Services (ASA) as its implementing authorities for areas under their respective jurisdiction. The parties agree that such annexes and appendices shall contain a description of the technical assistance to be performed by the FAA, the personnel and other resources required to accomplish the tasks, the estimated costs, implementation plans, and duration.

B. The designated office at the FAA for the coordination and management of this MOA, and where all requests for services under this Agreement should be made, is:

Federal Aviation Administration
Office of International Aviation, AIA-200
800 Independence Ave., S.W.
Washington, D.C. 20591

Telephone no. 202-267-3213
Fax no. 202-267-5032

ARTICLE III—DESCRIPTION OF SERVICES

A. The technical assistance provided by the FAA at the request of the SCT may include, but is not necessarily limited to, the following:

1. Providing technical and managerial expertise to assist the SCT in developing, improving, and operating its civil aviation infrastructure, standards, procedures, policies, training, and equipment;
2. Providing training for SCT personnel in the United States of America or in Mexico;
3. Inspecting and calibrating SCT-owned or -operated equipment and air navigation facilities; and
4. Providing resources, logistical support, and equipment for air navigation facilities.

B. Technical assistance in these and other areas, as mutually agreed to, may be accomplished by appropriate short - and long- term in-country assignments or by other assistance offered by the FAA.

ARTICLE IV—STATUS OF FAA PERSONNEL

The FAA will assign personnel to perform the services agreed upon in the annex or appendix. The personnel assigned may be the employees of the FAA or another U.S. Government agency. Personnel assigned to any activity shall retain their status as U.S. Government employees. The supervision and administration of the personnel will be in accordance with the policies and procedures of the FAA as an agency of the U.S. Government. The assigned personnel will perform at the high level of conduct and technical execution required by the FAA.

ARTICLE V—HOST PARTY SUPPORT

A. The support by the SCT necessary for accomplishing the FAA technical assistance shall be in accordance with pertinent FAA or other U.S. regulations, rules, or procedures. The SCT also shall provide such additional support as may be set forth in each annex or appendix.

B. If for any reason the SCT is unable to provide fully the support specified in each annex or appendix, or if the support provided is not equivalent to that prescribed in pertinent FAA or other U.S. regulations, rules, or procedures, the FAA shall arrange for the support and charge the costs for such support to the SCT.

ARTICLE VI—FINANCIAL PROVISIONS

A. The SCT shall reimburse the FAA, in accordance with the provisions set forth in this Agreement and its annexes and appendices, for all costs (including administrative overhead charges) associated with the technical assistance provided by the FAA. In the event of a termination by either party under Article X.B of this Agreement, the SCT shall pay all costs incurred by the FAA:

1. Prior to the date of such termination; and
2. During the 120-day close-out period.

B. Each annex or appendix will describe the specific financial arrangements for the technical assistance to be provided. However, all financial arrangements are subject to the following:

1. Payment of bills is due within sixty (60) days from date of billing. Payments are to be made in U.S. dollars and forwarded to the FAA at the address specified.
2. In the event that payment is not made within sixty (60) days from the date of billing, the FAA is required by regulation to assess late payment charges—i.e., interest, penalties, and administrative handling charges—in subsequent billings. These late charges will be assessed for each additional thirty (30) day period, or portion thereof, that payment is not received. The SCT agrees to pay any such late charges.

C. Agreement number NAT-I-3417 have been assigned by the FAA to identify this technical assistance project and shall be referenced in all correspondence and bills related to this Agreement.

ARTICLE VII—LIABILITY

The SCT agrees to defend any suit brought against the Government of the United States, the FAA, or any instrumentality or officer of the United States arising out of work performed under this Agreement or its annexes and appendices. The SCT further agrees to hold the United States, the FAA, or any instrumentality or officer of the United States harmless against any claim by the Government of the United Mexican States, or by any agency thereof, or by third persons for personal injury, death, or property damage arising out of work performed under this Agreement or its annexes and appendices.

ARTICLE VIII—AMENDMENTS

This Agreement or its annexes or appendices may be amended by mutual consent of the parties. The details of any such amendment shall be memorialized by written agreement signed by both parties.

ARTICLE IX—RESOLUTION OF DISAGREEMENTS

Any disagreement regarding the interpretation or application of this Agreement or its annexes and appendices will be resolved by consultations between the parties and will not be referred to any international tribunal or third party for settlement.

ARTICLE X—ENTRY INTO FORCE AND TERMINATION

A. This Agreement shall enter into force on the date of the last signature affixed hereto and shall remain in force until terminated.

B. This Agreement or any of its annexes or appendices may be terminated at any time by either party by providing sixty (60) days notice in writing to the other party, *provided, however,* that the obligations of the SCT under Articles IV, VI, VII, and IX shall survive a termination by either party. Any such termination will allow FAA one hundred and twenty (120) days to close out its activities. Termination of this Agreement shall also terminate all Annexes and Appendices subsequently concluded by the parties pursuant to this Agreement.

ARTICLE XI—AUTHORITY

The FAA and the SCT agree to the provisions of this Agreement as indicated by the signature of their duly authorized representatives.

Done in duplicate in the English and Spanish languages, both texts being equally authentic.

FEDERAL AVIATION ADMINISTRATION

DEPARTMENT OF TRANSPORTATION

UNITED STATES OF AMERICA

BY:


Joan W. Bauerlein

TITLE: Director, Office of
International Aviation

DATE:

10 October 1997

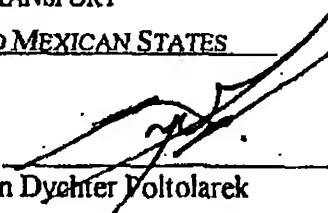
SECRETARIAT OF

COMMUNICATIONS

AND TRANSPORT

UNITED MEXICAN STATES

BY:

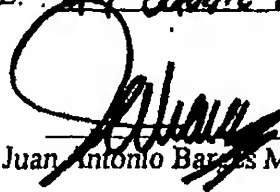

Dr. Aaron Dyche Voltolarek

TITLE: Subsecretary of Transport

DATE:

14 Octubre 1997

BY:


Ing. Juan Antonio Bargas Mestres

TITLE: Director General de
Aeronáutica Civil.

BY:


Ing. Roberto Kobeh González

19, OCT, 1997

TITLE: Director General de Servicios
a la Navegación en el Espacio Aéreo
Mexicano.

BY:


Ing. Alfredo Elías Ayub

TITLE: Director General de Aeropuertos y
Servicios Auxiliares.

DATE:

14 Oct. 1997

LETTER OF UNDERSTANDING

This letter expresses the understanding of the Federal Aviation Administration (FAA) and the Secretariat of Communications and Transport (SCT), with regard to Articles VI.B.2 and VII of the Memorandum of Agreement, NAT-I-3417, between the FAA and SCT.

Article VI.B.2 obligates SCT to pay late payment charges -interest, late payment penalties, and administrative handling charges- assessed by the FAA in the event that SCT does not pay an FAA bill within sixty days from the date of billing. The FAA hereby advises SCT that, as of the date of this letter, the late payment charges are assessed at the following rates : (i) *interest* at a rate of five (5) percent of the outstanding balance per annum; (ii) *late payment penalties* at a rate of six (6) percent of the outstanding balance per annum; and (iii) *administrative handling charges* of twelve U.S. dollars (\$12.00) per account per month. The parties understand that these late payment charges are subject to change by the FAA without notice, and that from time to time (including at the time a new annex or appendix to the Agreement is signed) SCT may request and obtain from FAA information on the current rates for late payment charges.

Regarding Article VII, it is understood that the SCT, as the only government organ of the United Mexican States responsible and authorized to enforce, control and settle events related to civil aviation, acts on behalf of the Government of the United Mexican States.

It is understood that grossly negligent, fraudulent, or criminal acts resulting in personal injury, death or property damage shall not be considered activities within the scope of "arising out of work under this MOA NAT-I-3417 or its annexes and appendices" for the purpose of the obligation of SCT to defend any suit brought against the United States, the FAA or any instrumentality or officer of the United States arising out of work under the MOA NAT-I-3417 or its annexes and appendices.

FEDERAL AVIATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA

SECRETARIAT OF COMMUNICATIONS
AND TRANSPORT
UNITED MEXICAN STATES

BY: *Joan W. Bauerlein* BY

Dr. Aaron Dychter Poltolarek

TITLE: Director, Office of
International Aviation

TITLE: Subsecretary of Transport

DATE: 20 October 1997

DATE: 16 Oct. 1997